

Survey reveals European city tourist offices and convention bureaux are becoming less dependent on the public sector

A new survey released this week by European Cities Marketing highlights the extent to which tourist offices and convention bureaux have become increasingly commercial, with on average some 52% of all funding deriving from these sources, with the remaining 48% comprising public sector grant.

Entitled ECM Member Finance Survey, the survey was completed in 2010 and the findings are based on a sample of 38 European tourist offices and convention bureaux, and it repeats a similar exercise undertaken in 2003. At that time, dependence on public sector grant was running at 65%, and the drop to 48% reflects both a tightening of the public purse as well as financial strategies which are increasingly innovative and entrepreneurial.

The survey indicates that city-based tourist offices and convention bureaux exhibit a remarkable diversity in terms of size, with the largest boasting annual budgets in excess of €20 million - though 'typically' most of them operate with less than €5million and have fewer than 50 staff. Whether large or small, city tourist organisations spend the bulk of their operating monies on marketing and communications (57%) with the remainder being deployed on visitor servicing, events, and research.

The financial outlook amongst tourist offices and convention bureaux is described in the report as "cautiously optimistic". Having in general benefited from increased levels of resourcing over the past five years, most city tourist organisations are now facing more or less standstill budgets and the bulk (57%) are experiencing reduced public sector grant. Opportunities to grow budgets lie in maximising online sales and private sector income streams, as well as in the more widespread adoption of hypothecated forms of tourist taxation.

The President of European Cities Marketing, Dieter Hardt-Stremayr says: *"Cities are the dominant geographical focus of tourism today, and are the shop window through which countries are viewed. That said, the survey we have undertaken identifies the main financial challenges, with pointers to how we can respond positively to these so as to continue to satisfy our twin masters – the urban tourists we attract and the local tourist industries we serve".*

European Cities Marketing (ECM) is a forum for the exchange by city tourist offices and convention bureaux of market intelligence and best practice related to urban destination marketing.

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